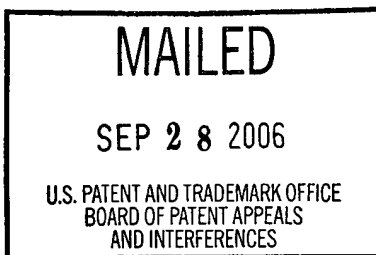


The opinion in support of the decision being entered today was *not* written for publication in a law journal and is *not* binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

*Ex parte* THOMAS J. FOTH and BRIAN M. ROMANSKY



Appeal No. 2006-2019  
Application No. 09/474,492  
Technology Center 3600

ON BRIEF

Before GROSS, NAPPI, and FETTING, *Administrative Patent Judges*.  
GROSS, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal from the examiner's final rejection of claims 1 through 24, which are all of the claims pending in this application.

Appellants' invention relates to a refund method and structure in an online commercial transaction. Claim 1 is illustrative of the claimed invention, and it reads as follows:

1. A method for facilitating electronic refunds in an online commercial transaction, the method comprising the steps of:  
  
A) establishing communication over a network between a payment computer and a buyer computer, the payment computer having a vault with buyer funds therein and a refund account for a buyer that tracks the refund activity of the buyer;

B) receiving at the payment computer a plurality of requests from the buyer computer to purchase items, each of the plurality of requests being associated with a corresponding one of the items;

C) accepting the plurality of requests to purchase items and debiting the vault to account for costs related to all of the items;

D) receiving at the payment computer from the buyer computer a buyer selected request to refund the cost of at least one of the corresponding ones of the items; and

E) upon receipt of the request to refund, the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and crediting the vault with the cost of the at least one of the corresponding ones of the items thereby effectuating a refund to the buyer.

The prior art references of record relied upon by the examiner in rejecting the appealed claims are:

Rose	5,757,917	May 26, 1998
Barber	6,349,288 B1	Feb. 19, 2002 (Nov. 18, 1997)

Claims 1, 3 through 6, 9 through 13, 15 through 18, and 21 through 24 stand rejected under 35 U.S.C. § 103 as being unpatentable over Barber.

Claims 2, 7, 8, 14, 19, and 20 stand rejected under 35 U.S.C. § 103 as being unpatentable over Barber in view of Rose.

Reference is made to the Examiner's Answer (mailed January 27, 2005) for the examiner's complete reasoning in support of the rejections, and to appellants' Brief (filed November 5, 2004) for appellants' arguments thereagainst.

#### OPINION

We have carefully considered the claims, the applied prior art references, and the respective positions articulated by appellants and the examiner. As a consequence of our review, we will reverse the obviousness rejections of claims 1 through 24.

Independent claims 1 and 13 each recite "a refund account for a buyer that tracks the refund activity of the buyer" and "accounting for the cost of the at least one of the corresponding ones of the items in the refund account." When read in a vacuum, the first above-mentioned limitation could refer to a running tally of the number of refund

requests by the buyer. However, the second above-mentioned limitation (“accounting for the cost . . . in the refund account”) suggests that the refund account tracks the costs of the items for which refunds have been requested and granted. Furthermore, the refund account is different from the vault, as each claim recites “the payment computer having a vault with buyer funds therein *and* a refund account” (italics added for emphasis).

Barber (column 4, lines 39- 65) discloses a connection between a refund server and the consumer, wherein the refund server receives a refund request and refunds to the account of the consumer the purchase price if, and when, the vendor grants the refund request. Thus, the refund server acts as the claimed payment computer. Barber (column 4, lines 48-50) discloses that the refund server tracks the frequency or number of refund requests from a particular buyer. Thus, Barber apparently keeps a running tally of the number of refund requests from the buyer. However, as pointed out by appellants (Brief, page 5) nothing in Barber suggests that the refund server maintains “a refund account” which is separate from the buyer’s account (or the vault) and keeps track of the cost of the items for which a refund has been granted.

The examiner (Answer, page 6) admits that Barber does not teach the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account, but takes Official notice that the feature of “the payment computer accounting for the cost of the at least one of the corresponding ones of the items in the refund account and credits the vault or a reserve asset account with the cost of the at least one of the corresponding ones of the items . . . is old and well known.” The examiner asserts that it would have been obvious to include this feature for “maintaining proper accounting entries according to generally accepted accounting principles for subsequent audits.” Yet, the examiner provides no evidence showing a refund account for a particular buyer wherein the refund account tracks refund costs for that buyer.<sup>1</sup> A factual inquiry whether to modify a reference must be based on objective evidence of

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<sup>1</sup> We note that Harry Simons’ Intermediate Accounting, 5<sup>th</sup> edition (1972) , pages 96-97, attached hereto, appears to provide evidence to support the examiner’s Official Notice that refund accounts (discussed as offset accounts in Simons) are notoriously well-known. However, since such evidence was not in the record before us, we will leave it to the examiner to determine its relevance for modifying Barber in further advancing prosecution of this application.

record, not merely conclusionary statements of the examiner. *See In re Lee*, 277 F.3d 1338, 1343, 61 USPQ2d 1430, 1433 (Fed. Cir. 2002). Thus, the examiner has failed to establish a prima facie case of obviousness, and we cannot sustain the rejection of claims 1 and 13 or their dependents, claims 3 through 6, 9 through 12, 15 through 18, and 21 through 24.

With regard to claims 2, 7, 8, 14, 19, and 20, the examiner combines Rose with Barber for the additional limitations. However, Rose is directed to a computerized payment system with no disclosure involving refunds. Therefore, we find nothing in Rose, and the examiner points to nothing, that would overcome the deficiency of Barber. Accordingly, we cannot sustain the obviousness rejection of claims 2, 7, 8, 14, 19, and 20.

#### CONCLUSION

The decision of the examiner rejecting claims 1 through 24 under 35 U.S.C. § 103 is reversed.

#### REVERSED



ANITA PELLMAN GROSS  
Administrative Patent Judge



ROBERT E. NAPPI  
Administrative Patent Judge



ANTON W. FETTING  
Administrative Patent Judge

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